

SECRET [REDACTED]

13 December 1976

MEMORANDUM

SUBJECT: Report on the Origin, Procedures, and Status of the
Experiment in Competitive Analysis on National
Intelligence Issues

1. This memorandum reports on the experiment in competitive analysis undertaken in parallel with the preparation of the 1976 National Intelligence Estimate on Soviet Forces for Intercontinental Conflict (NIE 11-3/8-76). In this report I will cover points on the origin of the experiment; its purposes and objectives; the institutional framework within which the agreement to conduct the study was reached; procedures for implementing it; progress to date; and a tentative and preliminary evaluation of the steps so far completed. Documentary attachments are provided as appropriate.

2. The request to conduct an exercise in competitive analysis was initially raised by the President's Foreign Intelligence Advisory Board (PFIAB) with the President in August 1975. The Board felt that the 1974 NIE on Soviet Forces for Intercontinental Conflict was seriously misleading in the presentation of a number of key judgments and that it projected a sense of complacency in regard to the Soviet threat unsupported by the facts. Subsequently Dr. Kissinger asked the DCI -- Mr. Colby -- to provide the President with comments on the experiment proposed by the PFIAB. In his reply, Mr. Colby suggested that the forthcoming NIE on Soviet strategic forces be reviewed by the Advisory Board to determine the extent to which the new estimate overcame deficiencies perceived in the 1974 estimate. This, in Mr. Colby's view, would provide a better basis for determining if the experiment should be purused. Mr. Colby's suggestion was adopted and an Estimates

SECRET [REDACTED]

SECRET

Evaluation Committee to conduct the review was established within the PFIAB. The Committee consisted of Mr. Robert Galvin as Chairman, with Dr. John S. Foster and Dr. Edward Teller as members.

3. In April 1976, the Evaluation Committee reported to the Board on their review of the 1975 Estimate. They concluded that while some improvements had been noted it was still, in their view, worthwhile to pursue the original proposal to establish an experimental competitive analysis group. The Committee reached its conclusions after (a) comparing the 1974 and 1975 estimates; (b) reviewing a ten-year "track record" of NIE judgments about Soviet strategic programs; and (c) conducting a survey of some 40 "authorities" in and outside of government. The Board supported the Committee recommendation. Subsequently the DCI met with PFIAB to discuss the findings of the Estimates Evaluation Committee. (Attachment A)

4. In early May of 1976 the Deputy to the DCI for National Intelligence, at that time Mr. George Carver, met with Mr. Robert Galvin to discuss in greater detail the methods, procedures, and objectives for conducting the experiment. The agreement finally worked out and coordinated with General Scowcroft -- the Assistant to the President for National Security Affairs -- is provided in a letter from the Chairman of PFIAB to Mr. Colby's successor, Mr. George Bush, dated 8 June 1976 (Attachment B). The principal provisions were as follows:

The 1976 estimate of Soviet forces for intercontinental attack would be prepared in accordance with established Community practices. Those working on the estimate would be referred to as the "A" team.

In addition, with respect to three key issues selected by the DCI in consultation with General Scowcroft, "B" teams would be formed of experts inside or outside of government. These persons should have expert knowledge in the appropriate fields, who have or can be granted the necessary security clearances, but who are not themselves engaged in the production of the basic Community estimate.

SECRET

SECRET [REDACTED] 25X

The "A" and "B" teams are to have the same body of information available to them and will adhere to the same production schedule. When the studies are completed the teams will have an opportunity to interact on their findings -- not to strike compromises or reach consensus judgments but to explain and defend their findings before their peers.

Final "A" and "B" drafts will then be produced, and each team will be able to prepare written comments on the other's findings. The entire package will be considered by the NFIB. The Intelligence Community estimate will be handled in standard ways. The "B" team studies and the "A" and "B" team comments on each other's work will be packaged separately and forwarded only to selected recipients -- among whom will be the PFIAB and the Special Assistant to the President for National Security Affairs.

Later, the Assistant to the President for National Security Affairs, in consultation with the DCI and PFIAB, will review the experiment and critique its results.

5. Mr. Bush designated [REDACTED] -- formerly Deputy Director of CIA's Office of Strategic Research -- as the Intelligence Community coordinator and manager for this experiment. [REDACTED] role was to provide a central focus and support for the "B" teams -- with a responsibility to follow substantive progress but not to intervene in the analysis of the competitive teams. The three topics for study were selected in consultation with the NSC Staff and the Estimates Evaluation Committee of PFIAB. These were Soviet ICBM accuracy, Soviet low altitude air defense capability, and Soviet strategic policy and objectives (Attachment C). Guidance on the composition of the "B" teams was received from the PFIAB and the teams were structured to conform reasonably closely to those guidelines. In view of the short notice, many of the persons approached to work on the experiment could not do so. However, PFIAB was notified of the final composition of each team and Mr. Galvin expressed general satisfaction with the progress being made. (Attachment D) 25X 25X

SECRET [REDACTED] 25X

SECRET [REDACTED]

25X

6. From the outset the experiment was designed to test the hypothesis -- using the same evidence as that available to the Intelligence Community -- that either the range of uncertainty around selected Soviet threat parameters (ICBM accuracy, low altitude air defense capabilities) was such that the threat could be greater than that reflected in the National Estimates or -- in the case of the estimate of Soviet strategic objectives -- that the Soviets were pursuing a more comprehensive and systematic program for a dominant military capability than they were being credited with in the NIEs. The teams were advised by the Chairman of the Estimates Evaluation Committee of PFIAB, Mr. Galvin, that they were not to feel obliged to fit the evidence to a pre-determined conclusion if, in fact, their analyses indicated otherwise. The teams were -- nonetheless -- made up of experienced analysts of Soviet military matters whose views in the past have coincided with the hypothesis being examined. The experiment consequently was not really balanced, in that it did not seek out "C" teams who would sympathetically examine alternative interpretations of the evidence that might lead to more benign evaluations of Soviet military strength and purposes than either the Community or the "B" team studies.

7. The work of the "B" teams was pursued throughout the summer and early fall on essentially the schedule established in June. The "A" and "B" team drafts were completed and exchanged in October and the three sets of teams met on November 3rd through the 5th to discuss and defend their positions. Following those meetings the "B" teams prepared their final studies. These studies are now in process of being prepared for printing.

8. The existence and nature of the competitive analysis experiment were relatively widely known in Washington by mid-summer -- but in a classified context -- and all the participants had been cautioned about the damage that could be done by unauthorized press leaks. As you know, however, the Boston Globe and the Washington Star on October 20 published identical articles which provided the outline and some of the essential detail of the exercise (Attachment E). We have been unable to discover the source of this story. Strong representations were made by Mr. Bush to all the "A" and "B" team participants concerning the negative effect such publicity could have on the utility of the experiment. Mr. Bush also conferred with Dr. Cherne, Chairman

SECRET [REDACTED]

25X

SECRET [REDACTED]

25X

of PFIAB, and asked that the Board members also be advised of his views concerning the disutility of further exposure of the experiment in the public domain. The individual Board members were requested to use any influence they might have with the participants in the exercise to prevent further leaks to the press. Subsequently there have been no further leaks, although there have been a few brief notes in various parts of the press that appear to be based only on the original Beecher article.

9. It was originally anticipated that the basic NIE and the "B" team studies would be considered by the NFIB in November and the results briefed to the PFIAB at their December meeting -- the last scheduled before the inauguration. Although the NFIB schedule for NIE 11-3/8-76 slipped into December, the PFIAB still wanted to hear from both the Community teams and the "B" teams on the results of the experiment completed so far. The PFIAB felt that the exercise was close enough to being completed that they should report on it to the President at their last meeting with him.

10. The briefing of PFIAB took place on 2 December. The intent was not to present final views because the PFIAB Chairman, Dr. Cherne, did not wish to have the Board sit in judgment on the experiment until all stages had been completed. I think it fair to say, however, that the Board was pleased with the results on both substantive grounds and for what it represented in the way of handling dissent in the analytical process. My own view is somewhat mixed. We will prepare a thorough evaluation of the experiment when it is finally over and I will provide you with a copy as soon as possible, but I can give you a capsule version of how I come down at this time.

11. In brief, while there were some positive aspects to the experiment I now conclude that they are at least balanced by the costs and problems associated with it. On the positive side:

- In the broadest sense, the experiment has been supplemental to other factors, such as new evidence, in influencing the estimate, but except for two specifics was not the sole or primary factor.

SECRET/ [REDACTED]

25X

SECRET [REDACTED]

25X

- The interaction on the issue of Soviet strategic policies and objectives resulted in some positive presentational adjustments to this year's NIE.
- Specifically the "A" and "B" team interaction on Soviet low altitude air defense capabilities did have a perceptible influence on a significant judgment in the estimate concerning uncertainty about future Soviet capabilities to limit damage to the USSR.

12. The costs and problems associated with this experiment have not been fully assessed as yet, but they will fall into the following three broad categories:

- Financial costs, which in direct accounting will be of the order of [REDACTED] There are additional housekeeping functions that have not been directly attributed to this experiment.
- The costs in terms of time spent by the Community in the care and feeding of the "B" team, and the effect this has had on the bulk of the estimate and its schedule.
- The future impact likely to be felt from the probably inevitable publicity (unauthorized) the experiment will receive. There are already signs of renewed press interest. Congressional enquiries have also been made, though not yet pressed.

25X

13. I will be available to discuss this with you in more detail if you like -- as will [REDACTED] I will also keep you informed of important new developments if they arise and will provide a copy of our final assessment of the experiment when it is completed.

25X

[REDACTED]

25X

Richard Lehman

SECRET [REDACTED]

25X